

Message Text

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ACTION NODS-00

INFO OCT-01 ISO-00 /001 W
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FM AMEMBASSY LONDON
TO SECSTATE WASHDC IMMEDIATE 6669

S E C R E T SECTION 01 OF 02 LONDON 12610

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E.O. 11652: XGDS-1
TAGS: PINT, AF, UK
SUBJECT: CONVERSATION WITH PRIME MINISTER

1. A COURTESY CALL ON PRIME MINISTER CALLAGHAN JULY 28
TURNED INTO A FORTY-FIVE MINUTE DISCUSSION OF A VARIETY
OF ISSUES. SOME MATTERS RAISED I WOULD LIKE TO FOLLOW-
UP WHEN I AM IN WASHINGTON FOR CON-
SULTATION IN MID-AUGUST. SOME MATTERS I HOPE TO TAKE
UP WITH THE SECRETARY DURING HIS LONDON STOPOVER
AUGUST 11-12.
2. THE PRIME MINISTER'S GENERAL MOOD WAS CHEERFUL AND
OPTIMISTIC,
CLEARLY REFLECTING HIS RELIEF AT THE END OF PARLIAMENTARY
SESSION WITHOUT BEING FORCED INTO ELECTIONS. HE ALSO
SEEMED GENUINELY CONFIDENT THAT THERE WILL BE NO WAGE
EXPLOSION. ON THE BASIS OF HIS CONVERSATIONS AT THE
MINERS' GALA AT DURHAM WEEK BEFORE LAST WITH LAWRENCE
DALEY, GENERAL SECRETARY OF THE NATIONAL UNION OF MINE
WORKERS, A KEY UNION, CALLAGHAN SAYS THE MINERS KNOW
THEY CANNOT GET THE ACROSS-THE-BOARD RAISE TO 135 POUNDS
PER WEEK THEY ARE ASKING FOR. THEY DO NOT WANT TO BE
NATIONAL VILLIANS AGAIN AND THE PRIME MINISTER THINKS
THEY WILL BE WILLING TO DIFFERENTIATE BETWEEN FACE WORK-

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ERS AND OTHERS AND WILL ACCEPT SOME DIFFERENTIALS BASED
ON PRODUCTIVITY. HE WAS MORE AMUSED THAN IRRITATED BY
THE ADVERSE PRESS COMMENTS ON HIS DURHAM GALA SPEECH,
SAYING THOSE REPORTERS NEVER GOT ANY FURTHER FROM LONDON
THAN WEMBLEY. MOREOVER, HE IS PROUD TO HAVE COME THROUGH
THE PARLIAMENTARY SESSION AS A MAN WHO IS TRUSTED EVEN
BY THOSE WHO DISAGREE WITH HIM, FOR HE SENSES THE LONG

RUN DANGERS OF THE INCREASED IDEOLOGICAL POLARIZATION OF THE FAR LEFT AND NOT-SO-FAR RIGHT. HE IS BASICALLY OPTIMISTIC ABOUT THE FUTURE OF THE COUNTRY AND THE PARTY IF THEY CAN GET THROUGH THE YEAR WITHOUT AN UPSURGE OF INFLATION.

3. HE IS TERRIBLY BOTHERED, THOUGH, BY THE FAILURE OF THE LONDON SUMMIT NATIONS TO ACHIEVE ANYTHING LIKE THE RATES OF GROWTH THEY SET FOR THEMSELVES AT THE MEETING LAST MAY. HE SEES PROTECTIONIST PRESSURES RISING IN EVERY COUNTRY IN THE ALLIANCE. MOST LEADERS WILL RESIST THESE PRESSURES IF THEY CAN; BUT WITHOUT GROWTH AND HIGHER LEVELS OF EMPLOYMENT THEY WILL HAVE A ROUGH TIME, HE SAYS. GISCARD, HE FEARS, WILL NOT EVEN TRY TO RESIST, AND HE OBVIOUSLY IS IRRITATED BY GISCARD'S RECENT GENERAL BEHAVIOUR. MOST SERIOUS, HE SEES FAILURE OF GROWTH PROVOKING ALL KINDS OF CHAUVINISM WHICH WILL EVENTUALLY THREATEN THE ATLANTIC ALLIANCE AS WELL AS THE NINE. HE HAS NO ANSWER, BUT WONDERS WHETHER ANOTHER SUMMIT ON THE DOWNING STREET PATTERN WON'T BE CALLED FOR IF THERE IS NOT A BETTER GROWTH PROSPECT BY THE END OF THE YEAR. CALLAGHAN WORRIES ABOUT RENASCENT GERMAN CHAUVINISM IF EUROPE DOESN'T HOLD TOGETHER AND HE FEELS SCHMIDT SHARES THIS WORRY. HE CONFIRMS, HOWEVER, THAT THE PRESIDENT DID A GREAT JOB WITH SCHMIDT. BUT HE IS ALARMED BY THE CASUAL VIEW OF THE DOLLAR'S SECRET

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DECLINE THAT WAS VOICED IN WASHINGTON LAST WEEK.

4. ON SPECIFIC MATTERS OF JOINT US-UK CONCERN:

A. RHODESIA.

-- HE HAD A GOOD TALK WITH NKOMO; OBVIOUSLY HE FEELS EASY WITH HIM SINCE HE HAS KNOWN HIM FOR TWENTY YEARS. CALLAGHAN, MOREOVER, FEELS NKOMO UNDERSTANDS ZIMBABWE'S NEED TO RETAIN THE SKILLS AND ENERGIES OF AS MANY RHODESIAN WHITES AS POSSIBLE FOR SAKE OF ORDER, GOVERNMENT AND THE ECONOMY. NKOMO TURNS DOWN COLD, CALLAGHAN SAYS, ANY NOTION OF MAKING COMMON CAUSE WITH MUZOREWA. NKOMO DOESN'T TRUST HIM AND THINKS HIS FOLLOWING IS EXAGGERATED. IN GENERAL, NKOMO IS RIDING HIGH BUT CALLAGHAN SAYS HE IS NOT REALLY A FIGHTER AND PREDICTS NKOMO WILL COOPERATE IF SMITH IS OUT OF THE WAY. THE PRIME MINISTER SENSES, HOWEVER, THAT NKOMO IS SUSPICIOUS OF THE UNITED STATES AND CALLAGHAN URGES THAT WE TAKE

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S E C R E T SECTION 02 OF 02 LONDON 12610

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A BACK-SEAT IN ANY ROLE IN AN ADMINISTRATION OF
TRANSITION, NOT THAT THE UK WOULD FAIL TO CONSULT AT ALL
STAGES, BUT THE APPEARANCE OF AN OFFICIAL US ROLE WOULD
TURN-OFF NKOMO.

-- AS FAR AS PERSUASION AND PRESSURE ON SOUTH AFRICA
ARE CONCERNED, THE PRIME MINISTER WONDERS WHETHER
THE US WOULDN'T BE MORE EFFECTIVE THAN THE UK. THIS
JUDGMENT SEEMS TO REST SOLELY ON HIS GENERAL REGARD
FOR THE SUPERIOR CLOUT OF THE US. AT SAME TIME,
CALLAGHAN ADMITS THAT US AND UK INTERESTS VIS-A-VIS
SOUTH AFRICA MAY EVENTUALLY DIVERGE SOLELY BECAUSE OF THE
GREATER ECONOMIC STAKES OF THE UK IN CONTINUING ECONOMIC
RELATIONS WITH SOUTH AFRICA.

-- THE PRIME MINISTER VOICED SEVERAL TIMES GREAT
ADMIRATION AND APPRECIATION FOR THE PRESIDENT'S DECISIVE-
NESS AND LEADERSHIP IN THE COURSE OF THE DISCUSSION WITH
OWEN A WEEK-END AGO. HE ADMIRES THE AMERICAN CHARACTER-
ISTIC OF TRYING TO SOLVE PROBLEMS, NOT JUST LIVE
PASSIVELY WITH THEM. ALSO, HE SEEMED UNFLINCHING IN HIS
SUPPORT OF OWEN AND SHOWED NO DESIRE TO TRY TO SECOND-
GUESS THE OWEN-VANCE SCENARIO. HIS ONLY CAUTION WAS
THAT THE TIMETABLE MAY BE TOO SLOW IF NYERERE IS TOLD
SO MUCH DETAIL THAT THE CONCRETE PROPOSAL LEAKS BEFORE
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THE OWEN-VANCE MEETING ON AUGUST 12.

B. CONCORDE. CALLAGHAN WANTS TO BE SURE WE HAVE NOT FORGOTTEN BRITAIN'S INTEREST JUST BECAUSE THE FRENCH MAKE MORE NOISE. HE TAKES AT FACE VALUE THE REPEATED STATEMENTS THAT THE ADMINISTRATION WILL DO ALL IT CAN WITHIN THE LIMITS OF AMERICAN LAW. HE EXPECTS NO MORE, BUT ALSO NO LESS.

C. MIDDLE EAST. THE PRIME MINISTER ASKED WHETHER HE SHOULD AGREE TO SEE BEGIN IN OCTOBER. AFTER THE SECRETARY'S ARAB-ISRAEL TRIP I BELIEVE WE SHOULD RESPOND TO HIS QUERY.

D. US-SOVIET RELATIONS. CALLAGHAN WANTS ADVICE ABOUT WHAT HE AND SCHMIDT MIGHT DO TO CONVINCE BRESHNEV THAT THE PRESIDENT TRULY DESIRES PROGRESS IN NEGOTIATIONS. HE SEES HIMSELF AND SCHMIDT IN THE SPECIAL ROLE OF INTERPRETERS OF THE PRESIDENT TO THE RUSSIANS. I WOULD LIKE TO BE IN A POSITION TO PROVIDE OUR VIEWS TO CALLAGHAN IN TIME FOR HIS SEPTEMBER 9 MEETING WITH SCHMIDT.

5. ALL-IN-ALL, I FOUND OUR DISCUSSION A VERY SATISFACTORY INTRODUCTORY ROUND. BASED ON FURTHER GUIDANCE, AND IN LIGHT OF THE SECRETARY'S DISCUSSIONS HERE AND MY CONSULTATIONS IN WASHINGTON AROUND MID-AUGUST, I WOULD LIKE TO FOLLOW-UP WITH ANOTHER MEETING IN EARLY SEPTEMBER.

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